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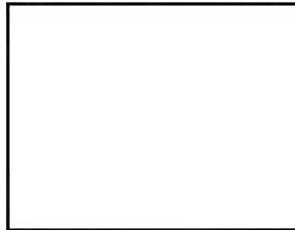
Communications 2

6 October 1955

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting on Proposed Revision of Penalty Indicia
Mail Accounting and Reporting Procedures

1. The following persons met 5 October 1955:



Compt./TAS
OL/Admin./M&CS
OL/PD
OL/SD
OL/SD
OL/SD
Mgts/RMS

2. Purpose of the meeting was to determine how to apply a Post Office Department proposal which would considerably simplify penalty indicia mail accounting and reporting procedures. The proposal was advanced in the Postmaster General's memorandum of 21 September 1955 to all Federal Agencies.

3. Briefly, the PMG proposes that, pending enactment of legislation which will simplify procedures, agencies will remit payments for penalty indicia mail based on usage data for fiscal years '54 and '55. Quarterly remittances, annual inventories, and current records on obliterations, destructions and other losses would not be required. However, agencies will be responsible for watching program activity for signs of acceleration or deceleration which would affect usage of penalty indicia matter.

4. The following facts were presented:

a. The Mail and Courier Unit expends about 36 hours each month sorting and recording penalty indicia mail.

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b. Postal costs for FY '55 were:

Postage meters	\$ 18,000.
Penalty indicia	10,000.
Stamps	<u>23,000.</u>
	\$ 51,000.

c. Penalty indicia matter had to be counted three times (the last time envelope by envelope) to arrive at an accurate inventory in the warehouse, the building supply rooms, and the printing plant.

d. The Mail and Courier Unit receives very few reports on penalty indicia matter mailed when the mail room is closed. [] feels that many pieces of penalty mail going into postal channels are therefore not being accounted for.

e. [] are not using penalty indicia mail. Therefore no reports are required from them.

5. In view of the savings to be gained it was concluded that the Agency should concur in the PMG's proposal and implement the revised procedures through a revision of R []. It was felt that usage trends could be watched by observing procurement and supply activity, and if necessary, running a sampling count of penalty indicia matter processed through the central mail room.

6. Further discussion centered around eliminating the requirement that certificates of compliance with the Penalty Indicia Mail Act emanate from [] echelon. [] and I will look into this matter further. Methods used by other agencies to comply with this requirement are being investigated.

Reg As Management Officer for
Ports and Correspondence

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